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ABSTRACT

In accordance with Section 665(3)(b) of the Education Law, the Office of the New York State Comptroller determined that Bronx Community College (BxCC) was overpaid $191,126 because school officials incorrectly certified students as eligible for (Tuition Assistance Program) TAP and (Supplemental Tuition Assistance Program) STAP awards. TAP is the largest of the various student grant and scholarship programs administered by the Higher Education Services Corporation (HESC). It is an entitlement program designed to provide tuition aid to eligible full-time students. STAP is a supplemental assistance program designed to provide an additional year of state aid to educationally disadvantaged students. The accuracy of BxCC's TAP and STAP certifications were tested for the three years, a process that ended in June 1997, using a statistical sample of 200 randomly selected awards of the 28,392 the school certified. From the sample, five awards totaling $4,907 were disallowed by auditors, and seven more awards totaling $7,086 were also disallowed, based on a review of other awards from outside the sample period. It is therefore recommended, after calculating a statistical projection to the entire school population, that HESC recover a total of $191,126, plus applicable interest from BxCC. (AS)

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ED 423 000

Bronx Community College

Report 98-T-1

Jerry Barber

New York State Office of the Comptroller

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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 22, 1998

Mr. Richard Mills
Commissioner
State Education Department
Education Building
Albany, NY 12234

Mr. Robert J. Maurer
President
Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255

Re: Bronx Community College
Report 98-T-1

Dear Mr. Mills and Mr. Maurer:

According to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution, Section 8, Article 2 of the State Finance Law and a Memorandum of Agreement dated December 1, 1989 involving the State Comptroller, the Commissioner of Education, the President of the Higher Education Services Corporation (HESC), and the Director of the Budget, we audited the records and procedures used in administering the Tuition Assistance Program (TAP) and the Supplemental Tuition Assistance Program (STAP) at Bronx Community College (BxCC) for the 1994-95 through 1996-97 academic years.

Summary Conclusions

In accordance with Section 665(3)(b) of the Education Law (Law), we determined that BxCC was overpaid $191,126 because school officials incorrectly certified students as eligible for TAP and STAP awards. We tested the accuracy of BxCC's TAP and STAP certifications for the three years ended June 30, 1997 using a statistical sample of 200 randomly selected awards of the 28,392 awards the school certified. From our statistical sample, we disallowed five awards totaling $4,907. A statistical projection of these audit disallowances to the entire population using a 95 percent single-sided confidence level, results in an audit disallowance of $184,040. We also disallowed seven awards totaling $7,086 based on our review of other awards from outside the sample period. Therefore, we recommend that HESC recover a total of $191,126 plus applicable interest from BxCC.

Background

BxCC is one of the eight two-year degree granting community colleges in the City University of New York (CUNY) system. BxCC offers Associate of Arts, Associate of Science and Associate of Applied Science degrees and Program Certificates in a number of programs that are approved by the State Education Department (SED) for tuition assistance eligibility.

TAP is the largest of the various student grant and scholarship programs administered by HESC. It is an entitlement program designed to provide tuition aid to eligible full-time students who are enrolled in a variety of programs. STAP is a supplemental assistance program designed to provide an additional year of State-aid to educationally disadvantaged students.

Draft copies of this report were provided to SED, HESC, BxCC and City University of New York officials for their review and comment. The officials agree with the findings included in this report.

Audit Scope

The objective of our financial and compliance audit was to determine whether BxCC management complied with the Law and the Commissioner of Education's Rules and Regulations (Regulations) for certifying students as eligible for TAP and STAP awards. The scope of our audit did not include reviewing the records and procedures of HESC as they relate to determining the amount of the awards.

According to HESC's records, BxCC officials certified 28,392 TAP and STAP awards totaling $27,764,734 paid on behalf of 11,934 students during the three academic years ended June 30, 1997. We reviewed a statistical sample of 200 randomly selected awards totaling $195,522, paid during that period. We also reviewed other awards that came to our attention during the audit.

We did our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to adequately assess those operations of BxCC which are included within our audit scope. These standards also require that we review and report on BxCC's internal control system and its compliance with those laws, rules and regulations that are relevant to BxCC's operations and are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

In planning and doing our audit of BxCC, we reviewed management's internal control system. Our audit was limited to a preliminary review of the internal control system to obtain an understanding of the environment and the flow of transactions through the accounting system and other systems supporting the claims for students' financial aid.

BxCC management is responsible for complying with the Law and the Regulations. In connection with our audit, we performed tests of BxCC's compliance with certain provisions of the Law and the Regulations. Our objective in performing these tests was to obtain reasonable assurance that the TAP and STAP awards BxCC received were for eligible students. Our objective was not to provide an opinion on BxCC's overall compliance with the Law and the Regulations.

The results of our tests indicate that, with respect to the items tested, BxCC was generally in compliance with the provisions of the Law and the Regulations relating to students' TAP eligibility, except as noted in the following section of this report.

Audit Disallowances

The following table summarizes the disallowances that resulted from our audit.

Reason for Disallowance	Number of Awards	Amount	Total
Disallowances from the Statistical Sample:			
Students Not Meeting Residency Requirement	2	$2,138	
Students Not Meeting STAP Requirements	2	1,644	
Student Not in Good Academic Standing	1	1,125	
Total Sample Disallowances	5	$4,907	
Projected Amount			$184,040
Disallowances from Outside the Statistical Sample Period:			
Student Not Meeting Residency Requirement	1	$1,013	
Students Not Meeting STAP Requirements	2	2,026	
Students Not in Good Academic Standing	4	4,047	
Student Not in Full-Time Attendance	1	1,013	
Total Disallowances from Outside the Sample	8	$8,099	
Less: Disallowance for More Than One Reason	1	1,013	
Net Disallowances from Outside the Sample	7		7,086
Total Audit Disallowance			$191,126

The various types of disallowances are discussed in the following sections of this report. The students' names and related information were provided to BxCC officials separately.

Students Not Meeting Residency Requirement

Criteria Section 661 of the Law states ". . . an applicant for an award at the undergraduate level of study must . . . have been a legal resident of the state for at least one year immediately preceding the beginning of the semester, quarter or term of attendance for which application for assistance is made . . . ." Further, HESC's Manual on Programs and Procedures stipulates that institutions should not certify eligibility for State awards for any student whose New York State residency is suspect.

Audit Determination We identified three awards paid to three students who did not meet the residency requirement. One student graduated from high school in Maryland in June 1995. She attended BxCC and started receiving TAP in the Fall 1995 semester. She was not claimed as a dependent on her father's New York State tax return. Therefore, this student is not eligible for TAP for one year from the date she moves to New York. The other two students had alien registration cards or other documents in their files that showed that they were not residents for the required one year period.

School Officials' Position School officials agree with our determination.

Students Not Meeting STAP Requirements

Criteria Section 667-a of the Law states that, in order to be eligible for STAP awards, a student must be educationally disadvantaged in accordance with the provisions for State-funded opportunity programs.

STAP recipients must demonstrate effort, achievement and readiness based on the school's standards, at the end of the term, to be eligible for a subsequent award. CUNY's STAP policy requires that students either successfully complete 50 percent of the minimum full-time course load or successfully complete 25 percent of the minimum full-time course load and show appreciable improvement, as evaluated by a faculty member on a case by case basis, in another 25 percent of the minimum full-time course load.

Audit Determination We identified four awards paid to four students who did not demonstrate effort, achievement, and readiness as required in CUNY's STAP policy. These students did not successfully complete the required number of courses and demonstrate appreciable improvement during the semester to be eligible for the subsequent awards they received.

School Officials' Position School officials agree with our determination.

Students Not in Good Academic Standing

Criteria Section 665 of the Law requires that students be in good academic standing to be eligible to receive TAP awards. Section 145-2.2 of the Regulations states that to maintain good academic standing a student must maintain satisfactory academic progress toward completion of a program and pursue the program of study in which he or she is enrolled.

To maintain satisfactory academic progress, a student must accrue at least a certain number of credits and earn at least a certain cumulative grade point average as required in the college's published satisfactory academic progress chart approved by SED. A student is pursuing the approved program of study if, during each term of study for which an award is received, the student receives a passing or failing grade in a predetermined percentage of the minimum full-time course load based on the student's TAP payment level.

When a student fails to maintain good academic standing, the student loses prospective TAP eligibility. Students can regain good academic standing by making up the deficiencies at their own expense, obtaining a one-time TAP waiver, remaining out of school for at least one calendar year or transferring to another institution.

Audit Determination We identified five awards paid to five students who failed to maintain good academic standing and, therefore, were not eligible for the awards they received. One student did not accrue enough credits as required on BxCC's chart of academic progress to maintain TAP eligibility. Four students did not earn passing or failing grades in enough courses to meet the pursuit of program requirements for the payments they received.

School Officials' Position School officials agree with our determination.

Students Not in Full-Time Attendance

Criteria Section 661 of the Law requires that students must be in full-time attendance for TAP eligibility. Section 145-2.1 of the Regulations states, in part, that for a degree-granting school, full-time study is defined as enrollment for at least 12 hours a semester for a semester of 15 weeks or its equivalent.

Audit Determination We identified one award paid to a student who did not maintain full-time status. This student was enrolled in only ten credits during a semester that she received a TAP award.

School Officials' Position School officials agree with our determination.

Other Matters Needing Attention

Student Refunds

Criteria Section 2205.3(e) of HESC Regulations requires that within 45 days from the receipt of financial aid payment, institutions must refund to the student any amount received in excess of funds owed the institutions or, with written consent of the student, apply such funds to subsequent terms.

Audit Determination Based on our review of the statistical sample, we found 11 students' accounts that had credit balances outstanding from 62 to 617 days before BxCC officials processed refund checks.

School Officials' Position School officials previously acknowledged the delays in refunding excess financial aid payments to students and have taken steps to correct this weakness.

Questionable College-Level Course

Criteria Section 52.2(c)(3) of the Regulations states that credit toward a degree shall only be earned for college-level work.

Audit Determination We found that BxCC is offering a three-credit college-level course titled Practical Writing Skills for Spanish-Speaking Students (SPN-14). This course was initially offered to students in 1990 on an experimental basis. The description of this course states that "this course uses readings in Spanish on current events . . . as a foundation for the development of reading, writing, and critical thinking skills." The rationale for this course, as stated in a 1990 report to the Chancellor, "is to act as a bridge between Spanish and English and is tailored to address the problems that many Hispanic students have in common: lack of academic language preparation to enroll in college-level courses." Based on the course description and rationale that states that these students need more language preparation before enrolling in college-level courses, it appears that this course may be a remedial course.

School Officials' Position School officials maintain that SPN-14 is a college-level course.

Auditors' Comments We referred this matter to SED officials for their review.

Major contributors to this report were Frank Russo, Kenneth I. Shulman, Lu Pham, David Louie, Salvatore D'Amato and Donald Collins.

We wish to express our appreciation to the management and staff of Bronx Community College for the courtesies and cooperation extended to our auditors during this audit.

Recommendation to the Higher Education Services Corporation

Recover the $191,126 plus applicable interest from Bronx Community College for its incorrect TAP certifications.

Recommendation to the State Education Department

Review the course content for SPN-14 to determine if the course is a college-level course or a non-credit remedial course.

Yours truly,

Jerry Barber

Jerry Barber
Audit Director

cc: Christoph M. Kimmich
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